



<b>CABINET</b>
----------------

<b>Date of Meeting</b>	Tuesday, 22 <sup>nd</sup> January 2019
<b>Report Subject</b>	Revenue Budget Monitoring 2018/19 (month 8)
<b>Cabinet Member</b>	Leader of the Council and Cabinet Member for Finance
<b>Report Author</b>	Corporate Finance Manager
<b>Type of Report</b>	Operational

### **EXECUTIVE SUMMARY**

This monthly report provides the latest revenue budget monitoring position for 2018/19 for the Council Fund and Housing Revenue Account. This report presents the position, based on actual income and expenditure, as at Month 8 of the financial year.

This report includes the impact of the grant funding announced by Welsh Government to support costs associated with Supporting Sustainable Social Services which equal £0.611m. Details on the use of this funding are shown in 1.04.

The Council has received confirmation of its allocation of the £7.5m announced to contribute to the Teacher Pay Award. This will be passported in full to schools as referenced in 1.15.

A capital grant of £1m for road refurbishment has been announced by Welsh Government. The options for dealing with this grant are currently being considered and any impact on revenue will be included in future reports.

The report projects how the budget would stand at the close of the financial year if all things remained unchanged.

The projected year end position, without new actions to reduce cost pressures and/or improve the financial return on efficiency planning and cost control is:

#### **Council Fund**

- An operating surplus of £0.026m (£0.325m at Month 7).

- A projected contingency reserve balance as at 31 March 2019 of £7.689m, which, when taking into account the agreed contributions for the 2019/20 budget reduces to £5.789m.

### Housing Revenue Account

- Net in-year revenue expenditure forecast to be £0.067m lower than budget.
- A projected closing balance as at 31 March 2019 of £1.165m.

## RECOMMENDATIONS

1	To note the overall report and the projected Council Fund contingency sum as at 31 <sup>st</sup> March 2019.
2	To note the projected final level of balances on the Housing Revenue Account (HRA).

## REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE MONTH 8 POSITION</b>																		
1.01	<p>Council Fund Projected Position</p> <p>The projected year end position, without mitigation to reduce cost pressures and improve the yield on efficiency planning, is as follows:</p> <ul style="list-style-type: none"> <li>• An operating surplus of £0.026m</li> <li>• A projected contingency reserve balance as at 31 March 2019 of £7.689m which reduces to £5.789m when taking into account agreed contributions for the 2019/20 budget</li> </ul> <p>The projected outturn is not anticipated to significantly change between now and year-end unless there is a change to the activity level of services or there is an impact from any of the identified risks as reported in paragraphs 1.08 to 1.16.</p>																		
1.02	<p>Projected Position by Portfolio</p> <p>The table below shows the projected position by portfolio:</p> <table border="1"> <thead> <tr> <th><b>TOTAL EXPENDITURE AND INCOME</b></th> <th><b>Revised Budget</b></th> <th><b>Projected Outturn</b></th> <th><b>In-Year Over / (Under) spend</b></th> </tr> <tr> <td></td> <th><b>£m</b></th> <th><b>£m</b></th> <th><b>£m</b></th> </tr> </thead> <tbody> <tr> <td>Social Services</td> <td>65.234</td> <td>64.734</td> <td>(0.500)</td> </tr> <tr> <td>Out of County</td> <td>7.274</td> <td>8.991</td> <td>1.717</td> </tr> </tbody> </table>			<b>TOTAL EXPENDITURE AND INCOME</b>	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>In-Year Over / (Under) spend</b>		<b>£m</b>	<b>£m</b>	<b>£m</b>	Social Services	65.234	64.734	(0.500)	Out of County	7.274	8.991	1.717
<b>TOTAL EXPENDITURE AND INCOME</b>	<b>Revised Budget</b>	<b>Projected Outturn</b>	<b>In-Year Over / (Under) spend</b>																
	<b>£m</b>	<b>£m</b>	<b>£m</b>																
Social Services	65.234	64.734	(0.500)																
Out of County	7.274	8.991	1.717																

	Education & Youth	8.398	8.250	(0.148)
	Schools	89.776	89.776	0.000
	Streetscene & Transportation	30.243	31.532	1.290
	Planning & Environment	5.663	5.655	(0.008)
	People & Resources	4.383	4.368	(0.014)
	Governance	8.248	7.869	(0.380)
	Strategic Programmes	4.198	4.197	(0.001)
	Housing & Assets	13.520	13.411	(0.108)
	Chief Executive	2.990	2.663	(0.327)
	Central & Corporate Finance	24.402	22.856	(1.546)
	<b>Total</b>	<b>264.328</b>	<b>264.303</b>	<b>(0.026)</b>
1.03	The projected outturn is reporting an operating surplus of £0.026m. This is a reduction in the projected outturn of £0.351m from the previous month where an operating deficit of £0.325m was reported. The reasons for these changes are summarised in Appendix 1 with the key significant changes explained in paragraphs 1.04 to 1.06 below. The reasons for the projected variances in all Portfolio areas are summarised within Appendix 2.			
1.04	<p><b>Social Services</b></p> <p>Welsh Government has awarded a £14m one-off grant to Local Authorities in Wales to Support Sustainable Social Services during 2018/19.</p> <p>The allocation awarded to Flintshire County Council is £0.611m and is to be used for the following;</p> <ol style="list-style-type: none"> <li>Help to address workforce challenges</li> <li>Focus on mitigating existing children's services pressures</li> <li>Respond to current pressures in core social services to be better positioned to manage unexpected or increased demands</li> <li>Plan for and respond to additional demands on social care resources as a result of winter pressures</li> </ol> <p>This grant is to be for these purposes across various service areas within Social Services and is apportioned as follows;</p> <ol style="list-style-type: none"> <li>Mental Health Services, Residential Placements £0.150m</li> <li>Children's Services, Family Placement £0.150m</li> <li>Children's Services, Out of County Placements £0.311m</li> </ol> <p>In each of the instances above the grant is treated as additional income to the service area and has therefore reduced the projected outturn. These movements are detailed in appendix 1.</p>			
1.05	<b>Out of County Placements</b>			

	<p>The projected overspend for Out of County Placements has decreased by £0.075m from the previous month.</p> <p>The Children's Service element is reporting a net reduction of £0.031m. There have been 5 new placements this month which have increased projected costs by £0.280m, this is mitigated by using an allocation of £0.311m from the Support Sustainable Social Services grant as reported in paragraph 1.04 above.</p> <p>The Education &amp; Youth element has also reduced, by £0.044m, caused by several placements which have either ended or are due to end this financial year.</p>
1.06	<p><b>Streetscene and Transportation</b></p> <p>Due to increased pupil numbers, schools are oversubscribed from September 2018, which has meant extra School Buses being required to transport pupils. There is a projected increase of 95 pupils qualifying for transport resulting in an additional pressure of up to £0.150m on the service (based on the average transport cost per pupil). However, the Integrated Transport Unit (ITU) is attempting to mitigate this increase as much as possible and an update on this will be provided in a subsequent Revenue Budget Monitoring report.</p> <p>For Special Educational Needs there is an increase of 20 routes for pupils with complex needs requiring solo transport has been required with additional cost of up to £0.180m. The ITU are currently reviewing the additional demands and the impact of aligning as many of these to existing routes and the outcome and impact of this will be further reported in a subsequent Revenue Budget Monitoring report.</p> <p>The pressure of £0.242m for additional school transport requirements for pupils to Connahs Quay, Buckley and Mold has been offset by a contribution of £0.109m from the school transition budget within Education.</p>
1.07	<p><b>Tracking of In-Year Risks and Emerging Issues</b></p> <p>At the time of setting the Budget for 2018/19 a number of significant risks were identified and an update is provided below.</p>
1.08	<p><b>Out of County Placements</b></p> <p>A further risk identified at the time of setting the 2018/19 budget was the rising social care costs, and the upward trend in the number of cases of Out of County placements across Wales. This was partly addressed by the inclusion of an additional £0.500m in the budget proposals for 2018/19 however the volatility in demand and the impacts on service costs cannot be predicted with any certainty. The main influence on this increase is the Social Services and Wellbeing Act which has led to a higher number of court outcomes and placements which has increased the financial pressure on this service area.</p>

	<p>The month 8 report details the projected outturn as £1.717m higher than budget, which is a slight decrease of £0.075m to the amount reported at month 7, however this decrease has occurred due to an allocation of £0.311m from the Support Sustainable Social Services grant. Costs can be subject to volatility and are likely to change through the year.</p>
1.09	<p><b>Achievement of Planned In-Year Efficiencies</b></p> <p>The 2018/19 budget includes £5.511m of specific efficiencies which are closely tracked and monitored. In 2017/18 the level of efficiency achievement was 94% which was an improvement on the 91% achieved during the previous year. The Council aims to achieve a 95% rate in 2018/19 as reflected in the MTFS KPI's.</p> <p>The current assessment of the efficiencies to be achieved in 2018/19 shows that £5.326m or 97% of the efficiencies will be achieved. The risk remains that any ongoing under-achievement of efficiencies will have a recurring and negative impact on the 2019/20 budget. Further details on the current status on efficiencies can be seen in Appendix 3 with any impact for 2019/20 being reviewed as part of the ongoing work on the Medium Term Financial Strategy.</p>
1.10	<p><b>Other Tracked Risks</b></p> <p>In addition, there are a number of risks being tracked that may be subject to change and these are summarised below:</p>
1.11	<p><b>Independent Inquiry into Child Sexual Abuse (IICSA)</b></p> <p>IICSA have required the council to produce a statement on the handling of historic child sexual abuse claims. The statement will need to cover how litigation between 1992 and 2000 was handled. No one remains at the council from that time who has knowledge of the cases. The external solicitors who acted jointly for us and our insurers are being instructed to review their files and supply the information.</p> <p>The initial cost of this work will be a minimum of £0.015m and this could increase significantly if IICSA do not agree to narrow the scope of the statement in the way we have requested.</p> <p>In addition payments have been made during the year to settle historic child abuse cases which pre-date Flintshire. A total of £0.028m has been paid to date in 2018/19, these costs are met from the Contingency Reserve and this amount is reflected in appendix 4. There are a number of outstanding cases still to be settled and it is difficult to estimate the timing and full financial impact of these.</p>
1.12	<p><b>Income</b></p> <p>The Council introduced its Income Strategy in late 2017. A target of £0.200m remains to be achieved from the identification of new sources of income and the review of fees and charges. The Council now has additional capacity to pursue this strategy and a number of potential</p>

	opportunities will be considered as part of business planning and annual review, as well as one off opportunities to mitigate this in-year.
1.13	<p><b>Recycling Income</b></p> <p>In past years the market rate for income received from recycling plastic, paper and card has been extremely volatile and can fluctuate rapidly. Recycling income is already expected to be £0.185m less than budgeted for and there is a risk that fluctuating market rates may reduce the shortfall further.</p>
1.14	<p><b>Schools – Risks and Impacts</b></p> <p>The schools overall budget for 2018/19 included an uplift in recurring funding of £1.140m and additional one-off funding of £0.460m. At the time of setting the budget the outcome of pay awards for teacher and non-teacher staff was not known.</p> <p>The outcome of the these pay awards will have a significant impact on school budgets which are detailed below:</p>
1.15	<p><u>Teachers Pay</u></p> <p>The Final Settlement confirmed that additional funding will be allocated to Authorities to part fund the pay award in 2018/19. An announcement by the First Minister also advised of an all Wales amount of £7.5m for teacher pay in both 2018/19 and 2019/20. Flintshire have now received confirmation of the 2018/19 funding contribution for an amount of £0.784m, which will be passported in full to schools once it has been received.</p>
1.16	In planning for the 2019/20 budget the Final Settlement does not change the previous position which allows the Council to provide a 1% uplift in the base funding of schools, meaning that schools will need to share the impact of the costs.
1.17	<p><b>Other In-Year Issues</b></p> <p><b>Inflation</b></p> <p>Included within the 2018/19 budget are provision for pay (£0.937m), food (£0.124m), fuel (£0.069m) and Energy (£0.442m). As in previous years, these amounts are held centrally until there is an evidenced business need identified.</p>
1.18	An allocation of £0.075m for Energy has been transferred to the Street Lighting service to reflect the additional cost impact.
1.19	At this time it is anticipated that all of the above will be required apart from £0.110m food inflation and is reflected in the outturn figure. This area will be kept under review over the winter to assess the impact of energy costs on the outturn position.
1.20	<b>Reserves and Balances</b>

	<p><b>Un-earmarked Reserves</b></p> <p>The 2017/18 outturn reported to Cabinet in July showed un-earmarked reserves at 31 March 2018 (above the base level of £5.769m) of £7.928m.</p> <p>As agreed in the 2018/19 budget an amount of £1.945m was approved as part of the strategy to balance the budget and in addition County Council on 1 March approved a one off amount of £0.460m for schools, on a temporary basis. The available Contingency Reserve after taking account of these contributions is therefore £5.523m.</p>
1.21	At month 4 it was agreed that the amount recovered due to a change in accounting policy for the Minimum Revenue Provision of £1.400m and a VAT rebate on some sporting exemptions for £1.940m would be transferred to the Contingency Reserve.
1.22	Taking into account the current projected overspend at this stage, and previously agreed allocations, the balance on the Contingency Reserve at 31 March 2019 is projected to be £7.689m as detailed in appendix 4.
1.23	As part of the budget strategy work for 2019/20 an agreed contribution from the Contingency Reserve of £1.900m will be used to assist in closing the budget gap on a one off basis. After considering this impact, the total available balance of the Contingency Reserve which can be drawn upon is £5.789m.
1.24	<p><b>Earmarked Reserves</b></p> <p>Earmarked reserves are monitored in accordance with the reserves protocol. A summary of earmarked reserves as at 1 April 2018 and an estimate of projected balances as at the end of this financial year will be included in the month 9 report.</p>
1.25	<p><b>Housing Revenue Account</b></p> <p>The 2017/18 Outturn Report to Cabinet on 17 July 2018 showed an un-earmarked closing balance at the end of 2017/18 of £1.116m and a closing balance of earmarked reserves of £0.802m.</p>
1.26	The 2018/19 budget for the HRA is £34.381m which includes a budgeted movement of £0.018m from reserves. The projected outturn is an underspend of £0.067m which has the impact of bringing the closing un-earmarked reserves balance to £1.165m which at 3.4% of total expenditure satisfies the prudent approach of ensuring a minimum level of 3%.
1.27	There is an increase of £0.081m in the budget contribution towards capital expenditure (CERA) of £12.170m. The increase in this contribution decreases the level of borrowing required to fund the proposed capital programme.

2.01	The Revenue Budget Monitoring Report reflects the planned use of the financial resources of the Council for the current financial year and details the variations in the first four months and the risks as known.
------	--

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	There are three categories of risks covered in the main section of the report. These are in-year risks and emerging issues, achievement of planned in-year efficiencies and other tracked risks. These risks are included from paragraph 1.08 to 1.16.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1: Council Fund – Movement in Variances from Month 7 Appendix 2: Council Fund – Budget Variances Appendix 3: Council Fund – Programme of Efficiencies Appendix 4: Council Fund – Movement on Un-earmarked Reserves Appendix 5: Housing Revenue Account Variances

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None required.  <b>Contact Officer:</b> Sara Dulson (Finance Manager) <b>Telephone:</b> 01352 702287 <b>E-mail:</b> <a href="mailto:sara.dulson@flintshire.gov.uk">sara.dulson@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Budget:</b> a statement expressing the Council's policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.  <b>Council Fund:</b> the fund to which all the Council's revenue expenditure is charged.  <b>Financial Year:</b> the period of twelve months commencing on 1 April.



**Housing Revenue Account:** the Housing Revenue Account (HRA) is a local authority account showing current income and expenditure on housing services related to its own housing stock. The account is separate from the Council Fund and trading accounts and is funded primarily from rents and government subsidy.

**Projected Outturn:** projection of the expenditure to the end of the financial year, made on the basis of actual expenditure incurred to date.

**Reserves:** these are balances in hand that have accumulated over previous years and are held for defined (earmarked reserves) and general (general reserves) purposes. Councils are required to regularly review the level and purpose of their reserves and to take account of the advice of the Chief Finance Officer.

**Revenue:** a term used to describe the day-to-day costs of running Council services and income deriving from those services. It also includes charges for the repayment of debt, including interest, and may include direct financing of capital expenditure.

**Underspend:** when referring to expenditure the actual expenditure incurred is less than budget. Shown as a –ve. When referring to income the actual income achieved exceeds the budget. Shown as a –ve.

**Variance:** difference between latest budget and actual income or expenditure. Can be to date if reflecting the current or most up to date position or projected, for example projected to the end of the month or financial year.

**Virement:** the transfer of budget provision from one budget head to another. Virement decisions apply to both revenue and capital expenditure heads, and between expenditure and income, and may include transfers from contingency provisions. Virements may not however be approved between capital and revenue budget heads.

**Medium Term Financial Strategy:** a written strategy which gives a forecast of the financial resources which will be available to a Council for a given period, and sets out plans for how best to deploy those resources to meet its priorities, duties and obligations.

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 8 - SUMMARY**

Service	Movement between Periods (£m)	Narrative for Movement between Periods greater than £0.025m
<b>Social Services</b>		
<b>Older People</b>		
Localities	-0.035	Reduced numbers of Residential and Nursing Care placements due to bereavements for £0.084m, offset by additional domiciliary care packages £0.049m.
Resources & Regulated Services	-0.076	Additional grant income for Llys Raddington extra care.
Minor Variances	-0.008	
<b>Disability Services</b>		
Resources & Regulated Services	0.086	Increased contract costs on externally provided Supported Living £0.058m and HFC contract costs for Day Services and Work Opportunities additional pay award cost adjustment £0.040m less other minor movements £0.012m.
Minor Variances	-0.011	
<b>Mental Health Services</b>		
Residential Placements	-0.097	Additional one-off WG grant income £0.150m, offset by additional costs of new placements £0.053m.
Minor Variances	-0.018	
<b>Children's Services</b>		
Family Placement	-0.141	Additional one off Welsh Government (WG) grant income of £0.150m offset by other minor variances £0.009m.
Family Support	0.040	Additional one off costs of licence fee for Mockingbird project.
Minor Variances	-0.002	
<b>Development &amp; Resources</b>		
Minor Variances	-0.024	
<b>Total Social Services (excl Out of County)</b>	<b>-0.288</b>	
<b>Out of County</b>		
Children's Services	-0.031	Net impact of one-off grant income of £0.311m less additional costs of £0.280 for 5 new placements.
Education & Youth	-0.044	Favourable movement in variance largely relating to several placements which either have ended or are due to end within the financial year.
<b>Total Out of County</b>	<b>-0.075</b>	
<b>Education &amp; Youth</b>		
Inclusion & Progression	0.006	Minor movements in variance from across service area.
Integrated Youth Provision	-0.015	Minor movements in variance from across service area.
School Improvement Systems	-0.003	Minor movements in variance from across service area.
Archives	0.001	Minor movements in variance from across service area.
<b>Total Education &amp; Youth</b>	<b>-0.012</b>	
<b>Schools</b>	<b>0.000</b>	

<b>Streetscene &amp; Transportation</b>		
Transportation & Logistics	0.209	Extra School Buses are required due to schools being oversubscribed from September 2018 . There is an increase of 95 pupils qualifying for transport resulting in additional pressure of £0.150m. For Special Educational Needs there is an increase of 20 routes for pupils with complex needs requiring solo transport totalling £0.180m. This is offset by a contribution of £0.109m from the school transition budget within Education.
Other minor variances	0.011	
<b>Total Streetscene &amp; Transportation</b>	<b>0.220</b>	
<b>Planning, Environment &amp; Economy</b>		
Access	0.015	Minor variances.
Management & Strategy	-0.020	Two vacant posts.
Minor Variances	-0.003	
<b>Total Planning &amp; Environment</b>	<b>-0.007</b>	
<b>People &amp; Resources</b>		
HR & OD	-0.002	Minor variances.
Corporate Finance	-0.012	Minor variances.
<b>Total People &amp; Resources</b>	<b>-0.014</b>	
<b>Governance</b>		
Legal Services	0.000	Minor variances.
Democratic Services	0.000	Minor variances.
Internal Audit	0.000	Minor variances.
Procurement	0.000	Minor variances.
ICT	0.006	Minor variances.
Customer Services	0.003	Minor variances.
Revenues	-0.112	Increased surplus on Council Tax Collection Fund £0.069m. Vacancy savings of £0.029m. Minor variances £0.014m reduction.
<b>Total Governance</b>	<b>-0.102</b>	
<b>Strategic Programmes</b>		
Minor Variances	-0.001	
<b>Total Strategic Programmes</b>	<b>-0.001</b>	
<b>Housing &amp; Assets</b>		
Benefits	-0.032	Additional underspend on CTRS £0.050m. IT and postage related expenditure increase of £0.061m. Additional New Burdens grant funding £0.069m. Other minor increases £0.026m.
Housing Solutions	0.014	Grant maximisation for staffing costs £0.041m. Senior management restructure efficiency shortfall £0.035m. Other minor increases £0.020m.
Minor Variances	-0.019	
<b>Total Housing &amp; Assets</b>	<b>-0.037</b>	
<b>Chief Executive's</b>		
	-0.014	Minor variances.
<b>Central and Corporate Finance</b>		
	-0.020	Minor Variances £0.020m.
<b>Grand Total</b>	<b>-0.351</b>	

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 8 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Social Services</b>						
<b>Older People</b>						
Localities	16.987	16.913	-0.074	-0.039	Residential and Nursing Care reflects a projected overspend of £0.326m due to increased numbers of funded placements following the increase in the capital limit to £40,000.  Domiciliary Care reflects a projected underspend of £0.172m based on existing service users, however there are challenges due to capacity of external supply markets which are currently having to be met within Provider Services.  Other underspends include a projected underspend of £0.036m on day care due to reduced demand, £0.046m on Intake/First Contact due to vacancy savings and £0.023m on Minor Adaptations.  Locality Teams staffing reflects a projected underspend of £0.109m due mainly to some posts being filled at below the top of grade.  Minor variances account for a £0.014m underspend.	Continue to monitor and review.
Community Equipment Contribution	0.478	0.329	-0.150	-0.144	Following review and implementation of an updated Section 33 partnership agreement for the North East Wales Community Equipment Store (NEWCES), the contribution levels of partners have reduced. In the longer term this saving has been earmarked for funding of some of the revenue costs for the new extra care facilities.	Continue to monitor and review.
Resources & Regulated Services	6.700	6.496	-0.204	-0.128	The main influence on the net projected underspend of £0.204m is extra care schemes where there is a projected underspend of £0.415m due mostly to the delay to the opening of the new Llys Raddington, Flint extra care facility and additional grant income. This is offset by a projected overspend of £0.134m on Home Care due to the need to cover capacity gaps in purchased Domiciliary Care. There are also other minor overspends amounting to a total of £0.077m in Residential Care and Day Centres.	Continue to monitor and review.
Minor Variances	0.896	0.853	-0.043	-0.040		
<b>Disability Services</b>						
Resources & Regulated Services	23.185	23.310	0.125	0.039	The projected overspend of £0.125m is mainly due to demand influences within externally provided Supported Living	Continue to monitor and review.
Disability Services	0.533	0.445	-0.087	-0.067	The projected underspend is mainly due to increased levels of contributions from Betsi Cadwaladr University Health Board (BCUHB) for 2 service users.	Continue to monitor and review.
Minor Variances	0.985	0.931	-0.054	-0.064		
<b>Mental Health Services</b>						
Residential Placements	1.184	1.445	0.261	0.358	Ongoing pressure due to the numbers of long term residential placements, including four new placements, despite maximisation of opportunities to secure joint funding contributions from BCUHB. The overspend is offset by £0.150m additional WG grant income.	Continue to monitor and review
Minor Variances	2.622	2.572	-0.050	-0.032		

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 8 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Children's Services</b>						
Family Placement	2.564	2.653	0.090	0.231	The projected overspend is due to the number of children in care. There has been an increase in the number of children who are subject to Foster Care/Special Guardianship/Adoption who have moved through the age barriers. Other influences include new adoption and Special Guardianship Order (SGO) payments and new Foster Carers entering the system, foster carers progressing from Level 1, 2, 3 and 4. Travel costs and Christmas and birthday allowances. These costs are offset by £0.150m additional WG grant income.	Continue to monitor and review
Family Support	0.364	0.464	0.099	0.060	Staff costs are higher than budget and some of these costs are associated with the carrying out of statutory duties to support looked after children in external placements. We have many strategies to resolve this in the longer term but in the short term we need to fulfil our duties to oversee the care of our younger people.	Continue to monitor and review
Professional Support	5.023	5.100	0.077	0.094	The projected overspend is due mainly to ongoing service pressures particularly within Prevention and Support, and is influenced by the need to support wider regional work on child protection issues which has been partly mitigated by an allocation of £0.100m from the contingency reserve.	Continue to monitor and review
Minor Variances	1.329	1.351	0.022	0.007		
<b>Development &amp; Resources</b>						
Charging Policy income	-2.469	-2.618	-0.149	-0.149	The projected underspend is due to surplus income which is mainly caused by changes to disregard rules on financial assessments which came into effect from August 2016. The additional budget which arises from this surplus is earmarked for future use in funding some of the revenue costs for the new Holywell extra care facility.	Continue to monitor and review.
Business Support Service	1.196	1.067	-0.129	-0.105	The projected underspend of £0.129m is due to a number of short term vacancy savings and some posts currently occupied by staff who are below top of grade.	Continue to monitor and review
Safeguarding Unit	0.925	0.863	-0.062	-0.062	The projected underspend of £0.062m is mainly due to staffing savings of £0.049m following a member of the team leaving under Early Voluntary Retirement (EVR) late in 2017/18. A further influence is a non recurring Welsh Government grant of £0.013m in respect of support for Deprivation of Liberty Safeguarding Assessments (DOLS).	Continue to monitor and review
Commissioning	0.631	0.579	-0.052	-0.057	The projected underspend is mainly due to funding of a post from a grant in the short term, plus some reductions of hours following staff returning from maternity leave.	Continue to monitor and review.
Vacancy Management	0.155	-0.041	-0.196	-0.175	Short term vacancy savings transferred from across portfolio.	
Minor Variances	2.099	1.981	0.078	0.062	A number of minor variances within Development & Resources each less than £0.050m.	
<b>Total Social Services (excl Out of County)</b>	<b>65.234</b>	<b>64.734</b>	<b>-0.500</b>	<b>-0.212</b>		

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 8 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Out of County</b>						
Children's Services	4.191	5.174	0.983	1.014	There is a projected overspend of £1.294m in Social Services Children's Services which is based on current clients and packages and which is likely to be subject to variation during the year. These costs are offset by £0.311m from additional WG grant income.	
Education & Youth	3.083	3.816	0.733	0.777	Variance relates to Out of County placements. A substantial increase in the number of new educational placements for 2018/19.	Continue close monitoring arrangements.
<b>Total Out of County</b>	<b>7.274</b>	<b>8.991</b>	<b>1.717</b>	<b>1.791</b>		
<b>Education &amp; Youth</b>						
Inclusion & Progression	3.824	3.776	-0.047	-0.054	Variance largely relates to delays in recruitment, includes other minor variances from across service area.	
Integrated Youth Provision	1.348	1.332	-0.016	-0.000	Minor variances from across service area.	
School Improvement Systems	1.777	1.698	-0.079	-0.075	Variance largely relates to Early Entitlement, a reduction in maintained and non-maintained setting payments as a result of demography and a reduction of the number of settings requiring funding. Includes hourly reductions in established staff. Includes other minor variances from across service area.	
Business Change & Support	0.414	0.408	-0.007	-0.007	Minor variances from across service area.	
Archives	0.290	0.290	0.001	0.000	Minor variances from across service area.	
Minor Variances	0.745	0.745	0.000	0.000		
<b>Total Education &amp; Youth</b>	<b>8.398</b>	<b>8.250</b>	<b>-0.148</b>	<b>-0.136</b>		
<b>Schools</b>	<b>89.776</b>	<b>89.776</b>	<b>0.000</b>	<b>0.000</b>		

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 8 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Streetscene &amp; Transportation</b>						
Ancillary Services & Performance	4.085	4.234	0.150	0.142	<p>Delay in the development of the new Rockcliffe HRC site resulting in additional running costs of two existing sites continuing to operate until October, 2018 totalling £0.050m.</p> <p>Shortfall in Recycling Income due to falling plastic, card and paper recycling prices resulting from external market factors £0.185m.</p> <p>Additional income of £0.100m above the original projections following the rollout of brown bin charges.</p> <p>Minor Variances £0.015m.</p>	
Highways Network	8.120	8.546	0.426	0.426	<p>Additional in year cost of known Vehicle Insurance Premiums totalling £0.060m.</p> <p>Following increased car park charges from May, 2018, together with charges in Flint being implemented for the first time, initial forecasts have indicated lower than anticipated income levels compared to original projections. In addition, officers have recently been appointed to meet the necessary demands of parking enforcement requirements across the County. The overall variance totals £0.260m.</p> <p>Additional urgent road patching repairs as a result of road condition surveys £0.75m.</p> <p>Minor variances of less than £0.025m but totalling £0.030m across the service.</p>	
Transportation & Logistics	9.267	9.838	0.571	0.362	<p>Additional pressure as a result of the provision of additional school transport for pupils to Connahs Quay, Buckley Elfed and Mold Campus £0.133m.</p> <p>Community Travel pilot schemes of £0.047m commencing January, 2019.</p> <p>Increased transport provision to Social Services £0.061m.</p> <p>Extra School Buses are required due to schools being oversubscribed from September 2018. There is an increase of 95 pupils qualifying for transport resulting in additional pressure of £0.150m.</p> <p>For Special Educational Needs there is an increase of 20 routes for pupils with complex needs requiring solo transport totalling £0.180m.</p>	The additional school transport costs and Special Educational Needs transport will be subject to further review by the Integrated Transport Unit (ITU) to assess all the additional demands and the impact of aligning as many of these costs to existing routes.
Workforce	8.542	8.661	0.119	0.119	Increased Agency and Overtime costs as a consequence of current sickness levels (9%) of the workforce operatives	
Other Minor Variances	0.230	0.253	0.023	0.021		
<b>Total Streetscene &amp; Transportation</b>	<b>30.243</b>	<b>31.532</b>	<b>1.290</b>	<b>1.070</b>		

**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 8 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Planning, Environment &amp; Economy</b>						
Business	1.550	1.518	-0.032	-0.029	Minor variances across the service.	
Community	0.940	0.956	0.016	0.022	Minor variances across the service.	Monitor Fee Income levels. Service currently under review.
Development	0.060	-0.090	-0.149	-0.154	Higher than expected levels of Planning Fee Income received in the first half of the financial. The projection is dependant on the number and value of the applications received, resulting in a changeable outturn to ensure an accurate reflection. An award of Legal Fees from a Planning Appeal in FCCs favour.	Continue to monitor Planning Fee Income levels and adjust projections accordingly.
Access	1.338	1.370	0.032	0.017	Minor variances across the service.	
Regeneration	0.445	0.507	0.062	0.061	Energy Efficiency framework moved to be accounted for in correct Portfolio £0.050m. Other minor variances £0.012m	Continue to monitor and review.
Management & Strategy	1.197	1.260	0.063	0.083	Staffing related Business Planning Efficiencies yet to be achieved pending all Service Review outcomes within the Portfolio. At period 8 this is further reduced by vacant post both in Planning Policy and Planning Support.	Vacancy savings across the Portfolio can assist in mitigating the unachieved efficiencies in the short term. Continue to monitor and review
Minor Variances	0.134	0.134	0.000	0.000		
<b>Total Planning &amp; Environment</b>	<b>5.663</b>	<b>5.655</b>	<b>-0.008</b>	<b>0.000</b>		
<b>People &amp; Resources</b>						
HR & OD	2.413	2.408	-0.005	-0.004	Minor variances.	Continue to monitor and review
Corporate Finance	1.970	1.961	-0.009	0.004	Minor variances.	Continue to monitor and review
<b>Total People &amp; Resources</b>	<b>4.383</b>	<b>4.368</b>	<b>-0.014</b>	<b>0.000</b>		
<b>Governance</b>						
Legal Services	0.706	0.743	0.037	0.037	Minor variances.	Continue to monitor and review
Democratic Services	2.021	2.025	0.003	0.003	Minor variances.	Continue to monitor and review
Internal Audit	0.454	0.423	-0.031	-0.032	Minor variances.	Continue to monitor and review
Procurement	0.320	0.331	0.010	0.010	Minor variances.	Continue to monitor and review
ICT	4.561	4.505	-0.056	-0.063	Some employees are not at top of grade and some have opted out from the pension scheme. In addition there have been short term vacancies during the year.	Continue to monitor and review
Customer Services	0.394	0.430	0.037	0.033	Additional registration services income estimated to be in the region of £0.020m. In-year salary saving of Connects Manager post £0.024m. Prior year efficiency in respect of Contact Centres unlikely to be achieved in 2018/19 £0.100m. Other minor variances £0.019m underspend.	Monitor and Review.
Revenues	-0.209	-0.588	-0.379	-0.267	Anticipated surplus on the Council Tax Collection Fund £0.215m. Additional Council Tax windfall following the conclusion of the Single Persons Discount Review £0.025m. Vacancy savings of £0.120m. Other minor variances £0.019m underspend.	Continue to review on a monthly basis and report on any significant variances or movements.
<b>Total Governance</b>	<b>8.248</b>	<b>7.869</b>	<b>-0.380</b>	<b>-0.277</b>		
<b>Strategic Programmes</b>						
Minor Variances	4.198	4.197	-0.001	0.000		
<b>Total Strategic Programmes</b>	<b>4.198</b>	<b>4.197</b>	<b>-0.001</b>	<b>0.000</b>		



**Budget Monitoring Report**  
**Council Fund Variances**

**MONTH 8 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Housing &amp; Assets</b>						
Administrative Buildings	1.179	1.325	0.146	0.145	Ecology issues creating delays to the demolition of County Hall £0.145m. Offset with savings from other service areas.	
CPM & Design Services	0.611	0.520	-0.090	-0.093	£0.085m additional income estimated. Underspend of £0.005m due to minor variances.	
Benefits	10.669	10.592	-0.077	-0.044	Projected underspend on the Council Tax Reduction Scheme (CTRS) £0.095m. Vacancy savings of £0.045m. Additional cost of IT related expenditure such as software, external printing and postage £0.096m. Additional New Burdens Funding £0.069m. Other costs from across the service £0.036m.	Continue to review and report on significant variances on a monthly basis.
Housing Solutions	1.083	1.028	-0.055	-0.069	Homeless Accommodation underspend £0.060m. Salary savings as a result of grant maximisation £0.041m. Unachieved efficiency in respect of Senior Management restructure £0.035m. Other minor variances including vacancy savings and other temporary accommodation expenditure £0.011m.	Continue to review and report on significant variances on a monthly basis.
Housing Programmes	0.112	0.120	0.008	0.009	Minor variances.	Continue to review and report on significant variances on a monthly basis.
Disabled Facilities Grant	0.017	0.012	-0.005	-0.005	Minor variances.	Monitor and review.
Council Fund Housing	-0.340	-0.329	0.011	0.017	Minor variances.	Continue to review and report on significant variances on a monthly basis.
Minor Variances	0.745	0.840	-0.052	-0.030		
<b>Total Housing &amp; Assets</b>	<b>13.520</b>	<b>13.411</b>	<b>-0.108</b>	<b>-0.071</b>		
<b>Chief Executive's</b>	<b>2.990</b>	<b>2.663</b>	<b>-0.327</b>	<b>-0.314</b>	Due to vacancies resulting from workforce changes during the year.	
<b>Central and Corporate Finance</b>	<b>24.402</b>	<b>22.856</b>	<b>-1.546</b>	<b>-1.526</b>	Increased Coroners Costs £0.042m. Increased Windfall Income £0.111m relating to Non Domestic Rate Revaluations. Pension Deficit recovery, an underspend of £1,042m, this is due to an increase in contributions, while the repayment figure has remained static. Apprentice Tax Levy, underspend of £0.065m. Auto Enrolment, numbers are less than estimated, which gives a favourable variance of £0.400m. Increased Bank charges £0.027m. Inflationary underspend of £0.254m of which £0.144m has been identified to contribute towards the 2019/20 budget. An underachievement on the income target of £0.237m. Minor variances £0.020m	Continue to review all variances alongside the continuing work on the MTFS.
<b>Grand Total</b>	<b>264.328</b>	<b>264.303</b>	<b>-0.026</b>	<b>0.325</b>		

**2018/19 Efficiencies Outturn - Under or Over Achieved**

Portfolio	Original Efficiency	Revised Efficiency	(Under)/Over
	2018/19 £m	2018/19 £m	Achievement 2018/19 £m
<b>Central &amp; Corporate Finance</b>			
Theatre C/wyd tax relief	0.075	0.075	0.000
County Hall (NDR Element)	0.060	0.060	0.000
Audit fee reduction	0.127	0.127	0.000
<b>Total Central &amp; Corporate Finance</b>	<b>0.262</b>	<b>0.262</b>	<b>0.000</b>
<b>Governance</b>			
Records management; Reduce records in storage.	0.010	0.010	0.000
ICT - Digital Print	0.048	0.048	0.000
Customer Services; New customer service models	0.050	0.050	0.000
Flintshire Connects; More flexible service in conjunction with potential income	0.056	0.056	0.000
Registration; Chargeable declaration of births	0.012	0.012	0.000
Revenues; Increase in collection rates enables adjustment to bad debt provision (one off).	0.094	0.094	0.000
Revenues; Second year windfall for single person discount review (one off)	0.140	0.140	0.000
Single Person Discount additional efficiency	0.160	0.185	0.025
<b>Total Governance</b>	<b>0.570</b>	<b>0.595</b>	<b>0.025</b>
<b>Social Services</b>			
Disability Service; Review current contract with external agency to deliver	0.030	0.030	0.000
Disability Service; Reduction of posts.	0.110	0.110	0.000
Workforce Development; Additional Income from QCF assessors through	0.030	0.030	0.000
Business Support and Management; Rationalisation of rented	0.015	0.015	0.000
Increase in domiciliary care charging.	0.220	0.220	0.000
Integrated Care Fund	0.500	0.500	0.000
Care Fees	0.514	0.514	0.000
Merger of Out of Hours Service	0.020	0.020	0.000
<b>Total Social Services</b>	<b>1.484</b>	<b>1.484</b>	<b>0.000</b>
<b>Education &amp; Youth</b>			
Early Entitlement; Reduce sustainability grant payments and remodel	0.020	0.020	0.000
Business Support; Staff reduction	0.010	0.010	0.000
Nursery Education; Staff reductions	0.040	0.040	0.000
<b>Total Education &amp; Youth</b>	<b>0.070</b>	<b>0.070</b>	<b>0.000</b>
<b>Schools</b>			
Schools Demography	0.288	0.288	0.000
<b>Total Schools</b>	<b>0.288</b>	<b>0.288</b>	<b>0.000</b>
<b>Strategic Programmes</b>			
Leisure, Libraries and Heritage; Continuation of previous years' business plan	0.416	0.416	0.000
<b>Total Strategic Programmes</b>	<b>0.416</b>	<b>0.416</b>	<b>0.000</b>
<b>Housing &amp; Assets</b>			
Valuation Service; Property rationalisation through closure and amalgamation of services into other more efficient assets.	0.050	0.050	0.000
Valuation Service; Increase farm income through renewal of grazing licences.	0.021	0.021	0.000
Valuation Service; Community Asset Transfer process, efficiencies through reduced costs.	0.010	0.010	0.000
Valuation Service; Restructure of service as part of move to a commissioning client.	0.020	0.020	0.000
Valuation Service; Remove caretaking/security services at County Offices, Flint.	0.015	0.015	0.000
Corporate Property Maintenance; Restructure of service as part of move to a commissioning client.	0.080	0.080	0.000
Design and Project Management Services; Restructure of service as part of move to a commissioning client.	0.040	0.040	0.000
NEWydd Catering and Cleaning Services; Continuation of previous Business and Marketing plans.	0.050	0.050	0.000
County Hall	0.240	0.140	(0.100)
New Homes; Return anticipated trading surplus to the Council.	0.030	0.030	0.000
Regional Training courses delivered by GT officer	0.003	0.003	0.000
Welfare Rights; Some activity to be absorbed into single financial assessment team.	0.032	0.032	0.000
Benefits; Adjustment to bad debt provision (one off).	0.050	0.050	0.000
Benefits; Council Tax Reduction Scheme.	0.250	0.345	0.095
Benefits; Remove duplication and provide a single financial assessment service.	0.050	0.050	0.000
Reduction of senior management team	0.050	0.015	(0.035)
<b>Total Housing &amp; Assets</b>	<b>0.991</b>	<b>0.951</b>	<b>(0.040)</b>
<b>Streetscene &amp; Transportation</b>			
Waste Strategy; Charges for garden waste	0.800	0.900	0.100
Car Park Charges	0.450	0.210	(0.240)
<b>Total Streetscene &amp; Transportation</b>	<b>1.250</b>	<b>1.110</b>	<b>(0.140)</b>
<b>Planning, Environment &amp; Economy</b>			
Development management; Production of planning statements and to undertake private appeals	0.015	0.015	0.000
Highways Development Control; Introduce further charges. Review current charges. Retain supervisory function of highway works in the Building Control; Review charges. Introduce charges. Increase partnership working. Increase authorised commencements inspections.	0.015	0.015	0.000
Built Environment; Charing for preapplication advice	0.030	0.000	(0.030)
Flooding and Drainage; Fees for capital project work.	0.010	0.010	0.000
Energy; Fees for energy efficiency assessment.	0.010	0.010	0.000
Minerals and Waste; Maximise regulatory compliance income. Review day rate charging.	0.050	0.050	0.000
Rights of Way; Increase charging and reduce expenditure.	0.020	0.020	0.000
Economic Development; Workforce efficiency if regional service developed.	0.020	0.020	0.000
<b>Total Planning, Environment &amp; Economy</b>	<b>0.180</b>	<b>0.150</b>	<b>(0.030)</b>
		%	£
<b>Total 2017/18 Budget Efficiencies</b>		<b>100</b>	<b>5.511</b>
<b>Total Projected 2017/18 Budget Efficiencies Underachieved</b>		<b>3</b>	<b>0.185</b>
<b>Total Projected 2017/18 Budget Efficiencies Achieved</b>		<b>97</b>	<b>5.326</b>

**Movements on Council Fund Unearmarked Reserves**

	£m	£m
Total Reserves as at 1 April 2018	13.697	
Less - Base Level	(5.769)	
Total Reserves above base level available for delegation to Cabinet		7.928
Less – amount committed as part of balancing 2018/19 budget		(1.945)
Less – One off contribution to Schools agreed at Council on 1 March 2018		(0.460)
Less – Contribution to fund shortfall in MEAG funding (M2)		(0.058)
Add – transfer from revenue for amount recovered in-year due to change in accounting policy for the Minimum Revenue Provision		1.400
Add – transfer from revenue for the amount of the VAT rebate received		1.940
Less – allocation to meet additional in-year budget pressure for the agreed pay award above the 1% included in the 2018/19 budget		(0.999)
Less – allocation for ongoing resourcing of the Victim Contact Team		(0.100)
Less – allocation for Independent Inquiry into Child Sexual Abuse		(0.015)
Less – allocation to meet historic child abuse claims		(0.028)
Add – projected outturn underspend		0.026
<b>Total Contingency Reserve as at 31<sup>st</sup> March 2019</b>		<b>7.689</b>

Less – VAT rebate amount committed as part of balancing 2019/20 budget.		(1.900)
<b>Total Contingency Reserve available for use</b>		<b>5.789</b>

**Budget Monitoring Report**  
**Housing Revenue Account Variances**

**MONTH 8 - SUMMARY**

Service	Revised Budget (£m)	Projected Outturn (£m)	Variance (£m)	Last Month Variance (£m)	Cause of Major Variance	Action Required
<b>Housing Revenue Account</b>						
Income	(34.381)	(34.092)	0.289	0.276	A pressure of £0.289m is anticipated on income. £0.144m of this pressure relates to loss of rental income on properties being void longer than anticipated and £0.073m due to delays on handover/delays on new build schemes. £0.030m of the pressure relates to loss of income on garages which are not tenanted. £0.036m of the pressure relates to removal of the early payment discount on the Welsh Water contract. The remaining £0.006m relates to minor pressures.	
Capital Financing - Loan Charges	8.694	7.602	(1.092)	(0.282)	The projected underspend of £1.092m relates to expected borrowing costs for SHARP. £0.051m of the underspend relates to the Minimum Revenue Payment (loan repayment) which is lower than budgeted because borrowing levels were as high on the 31st March as expected. The remaining £1.041m relates to interest charges. Batch 3 schemes will now start on site later than anticipated and this means expenditure will be spread across financial years. In-year interest charges will therefore be lower than originally anticipated. In addition, borrowing costs have been minimised through efficient treasury management.	
Estate Management	1.617	1.485	(0.132)	(0.113)	The projected underspend of £0.132m relates to £0.140m salary savings and £0.008m on minor variances.	
Landlord Service Costs	1.415	1.426	0.011	0.013	Minor Variance	
Repairs & Maintenance	8.159	8.116	(0.044)	(0.019)	Minor Variance	
Management & Support Services	2.297	2.126	(0.170)	(0.118)	A saving of £0.170m is anticipated on Management and Support costs. £0.126m relates to vacancy savings. £0.058m relates to a reduction on insurance premiums for HRA. The remaining £0.014m relates to minor pressures elsewhere.	
Capital Expenditure From Revenue (CERA)	12.170	13.141	0.971	0.173	The variance of £0.971m relates to an increase in the contribution from revenue towards capital costs. This increase is possible because of decreased costs elsewhere in the HRA. Contributing towards the capital budget from revenue reduces the requirement to borrow.	
HRA Projects	0.047	0.146	0.099	0.003	The variance of £0.099m relates to projected costs incurred relating to site investigation works as part of site viability for future SHARP developments.	
Contribution To / (From) Reserves	(0.018)	0.049	0.067	0.067	The projected HRA outturn is an underspend of £0.067m which has the impact of bringing the closing un-earmarked reserves balance to £1.165m.	
<b>Total Housing Revenue Account</b>	<b>0.000</b>	<b>(0.000)</b>	<b>(0.000)</b>	<b>0.000</b>		